

A bill for an act
relating to motor fuels tax; repealing lower income motor fuels tax credit; making
technical correction; amending Minnesota Statutes 2008, section 297A.815,
subdivision 3; repealing Minnesota Statutes 2008, section 290.06, subdivision 34.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2008, section 297A.815, subdivision 3, is amended to
read:

Subd. 3. **Motor vehicle lease sales tax revenue.** ~~(a) For purposes of this
subdivision, "net revenue" means an amount equal to:~~

~~(1) the revenues, including interest and penalties, collected under this section, during
the fiscal year, less~~

~~(2) the estimated reduction in individual income tax receipts and the estimated
amount of refunds paid out under section 290.06, subdivision 34, for the fiscal year.~~

~~(b) On or before June 30 of each fiscal year, the commissioner of revenue shall
estimate the amount of the revenues and subtraction under paragraph (a) for the current
fiscal year.~~

~~(c) On or after July 1 of the subsequent~~ each fiscal year, the commissioner of finance
shall transfer the ~~net revenue as estimated in paragraph (b)~~ revenues, including interest
and penalties, collected under this section, during the fiscal year from the general fund,
as follows:

(1) 50 percent to the greater Minnesota transit account; and

(2) 50 percent to the county state-aid highway fund. Notwithstanding any other law
to the contrary, the commissioner of transportation shall allocate the funds transferred
under this clause to the counties in the metropolitan area, as defined in section 473.121,

S.F. No. 65, as introduced - 86th Legislative Session (2009-2010) [09-0832]

2.1 subdivision 4, excluding the counties of Hennepin and Ramsey, so that each county shall
2.2 receive of such amount the percentage that its population, as defined in section 477A.011,
2.3 subdivision 3, estimated or established by July 15 of the year prior to the current calendar
2.4 year, bears to the total population of the counties receiving funds under this clause.

2.5 (d) For fiscal years 2010 and 2011, the amount under paragraph (a), clause (1), must
2.6 be calculated using the following percentages of the total revenues:

2.7 (1) for fiscal year 2010, 83.75 percent; and

2.8 (2) for fiscal year 2011, 93.75 percent.

2.9 Sec. 2. **REPEALER.**

2.10 Minnesota Statutes 2008, section 290.06, subdivision 34, is repealed.

290.06 RATES OF TAX; CREDITS.

Subd. 34. **Lower income motor fuels tax credit.** (a) An individual is allowed a credit against the tax imposed under this chapter if the individual:

- (i) has attained the age of 18 by the end of the taxable year;
- (ii) cannot be claimed as a dependent on another taxpayer's return; and
- (iii) is (A) a United States citizen or (B) lawfully present in the United States.

For married couples filing joint returns, surviving spouses, single filers, and head of household filers, the credit amount is \$25. For married individuals filing separate returns, the credit amount is \$12.50. To qualify, the individual's taxable net income for the taxable year must not exceed the maximum amount for the individual's filing status, adjusted as provided in subdivision 2d, that is taxable at the lowest rate under subdivision 2c. For individuals with taxable net income that exceeds the amount of income taxable for the individual's filing status at the lowest rate under subdivision 2c, adjusted as provided in subdivision 2d, the credit amount is zero. For a nonresident or part-year resident, the credit must be allocated based on the percentage calculated under subdivision 2c, paragraph (e).

(b) If the amount of the credit which the individual is eligible to receive under this subdivision exceeds the individual's liability for tax under this chapter, the commissioner of revenue shall refund the excess.

(c) The amount necessary to pay claims for the refund provided in this section is appropriated from the general fund to the commissioner.